

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

HICKMAN MUNICIPAL GAS SYSTEM	)	
	)	
_____	)	CASE NO. 96-049
	)	
ALLEGED FAILURE TO COMPLY WITH	)	
COMMISSION REGULATIONS	)	

O R D E R

Following the commencement of this proceeding, Hickman Municipal Gas System and Commission Staff entered into negotiations to resolve all disputed issues. On October 30, 1996, they executed a Settlement Agreement, which is appended hereto, and have submitted same for Commission approval.

After reviewing the Settlement Agreement and being otherwise sufficiently advised, the Commission finds that the Settlement Agreement is in the public interest, results in a reasonable resolution of this case, and should therefore be approved.

IT IS THEREFORE ORDERED that:

1. The Settlement Agreement, appended hereto, is incorporated into this Order as if fully set forth herein.
2. The terms and conditions set forth in the Settlement Agreement are specifically adopted and approved.
3. This proceeding is dismissed.

Done at Frankfort, Kentucky, this 6th day of November, 1996.

PUBLIC SERVICE COMMISSION

Linda K. Breathitt  
Chairman

Edward J. Jones  
Vice Chairman

B. J. Helton  
Commissioner

ATTEST:

Don Mills  
Executive Director

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SETTLEMENT AGREEMENT

This Agreement is made and entered into this 30<sup>th</sup> day of October, 1996 by and between the Staff of the Kentucky Public Service Commission and the authorized representatives of the city of Hickman's natural gas distribution system.

WITNESSETH:

WHEREAS, this proceeding was established by Order entered March 15, 1996, to continue an investigation of a gas explosion which occurred at Indian Hills Village Apartments in Hickman, Kentucky on November 14, 1995;

WHEREAS, on January 3, 1996, the staff inspected the city of Hickman's natural gas distribution system;

WHEREAS, as a result of that inspection certain possible violations of Commission regulations were found; and,

WHEREAS, the city of Hickman and Commission Staff have met and agreed to the following in order to resolve all outstanding issues in this proceeding;

NOW, THEREFORE, BE IT RESOLVED that:

1. The city of Hickman has resolved and corrected the deficiencies noted in Staff's inspection report dated January 12, 1996.

2. The city of Hickman has submitted a revised Operation and Maintenance Manual and an Emergency Operating Plan, both of which have been reviewed and found to meet the requirements of the Commission's administrative regulations.

3. The city of Hickman agrees to implement and follow the provisions of the plans referenced above.

4. The parties agree that the Commission initiated this case based upon information sufficient to necessitate further investigation. However, in recognition of Hickman's good faith efforts to bring its operations into compliance with all applicable safety requirements, Staff agrees to recommend to the Commission that a penalty, if assessed, be compromised pursuant to the provisions of KRS 278.992(1).

6. This settlement agreement is subject to approval of the Kentucky Public Service Commission.

7. The Staff agrees to recommend that the Commission adopt this settlement in its entirety without change or modification.

8. If the Commission fails to adopt this agreement in its entirety, the city of Hickman reserves the right to withdraw from it and to proceed with the case. In such event, none of the matters contained in this settlement shall be binding on any of the signatories hereto.

9. All of the parties agree that the terms of the settlement are reasonable, factually accurate and that is in the public interest to resolve this matter.

10. If the settlement agreement is adopted in its entirety by the Commission, this settlement shall constitute a final adjudication and dismissal of the allegations raised in this case without the need for a hearing.

11. It is agreed that this settlement is submitted for purposes of this case only and is not deemed binding upon the signatories hereto in any other proceeding, nor is it to be offered or relied upon in any other proceeding involving the city of Hickman or any other utility.

AGREED TO BY:

Bramley D. Ambler  
COUNSEL FOR THE CITY OF HICKMAN

DATE OCTOBER 25, 1996

Rebecca W. Goodman  
COUNSEL FOR THE COMMISSION STAFF

DATE 10/30/96